

Company Registration No. 08852553 (England and Wales)

NORTH WEST ACADEMIES TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

NORTH WEST ACADEMIES TRUST LIMITED

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NORTH WEST ACADEMIES TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

S Docking (Director/Trustee/CEO) *
M Forber (Vice Chair/Director/Trustee) *
B Wignall (Chairman/Director/Trustee)
A Walmsley (Director/Trustee)

* members of the finance and education purposes committee

Members

S Docking
M Forber
B Wignall
A Walmsley
I Colledge

Senior management team: at Oak View Academy

- Headteacher	F Rimmer
- Deputy Headteacher	R Clark
- Chair of Local Governing Board	L Jones
- Accounting Officer	S Docking

Company secretary

Oliver & Co Secretarial Services Limited

Company registration number

08852553 (England and Wales)

Principal address

Cedar House
91 Hoole Road
Chester
Cheshire
CH2 3NG

Registered office

C/O Oliver & Co Solicitors Limited
Douglas House
117 Foregate Street
Chester
Cheshire
CH1 1HE

Academies operated

Oak View Academy

Location

Winsford

Principal

F Rimmer

Independent auditor

White & Company (UK) Limited
6th Floor
Blackfriars House
Parsonage
Manchester
M3 2JA

NORTH WEST ACADEMIES TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Group PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Oliver & Co Solicitors Limited
Douglas House
117 Foregate Street
Chester
Cheshire
CH1 1HE

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The governors present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The company was incorporated on 20 January 2014 and the first school Oak View Academy converted on 1 April 2014.

The Academy Trust currently operates one academy Oak View Academy for pupils aged 3 - 11 serving a designated catchment area in Cheshire West and Chester. It has a pupil capacity of 210 school places and 26 nursery places, 236 in total, and had a roll of 146 in Autumn term 2014 increasing to a roll of 161 by Summer term 2015.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors are the trustees of North West Academies Trust Limited and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the Year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' indemnities

The governors and trustees carry full directors liability insurance.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of governors

The trustees are appointed and inducted in accordance with the provisions set out in the Memorandum and Articles of Association.

Each school within the Trust also has its own Governing body and the trust has a place on each Governing board.

We also operate an audit committee, which is made up of the Chair and Vice Chair of Governors and one other Governor. Their role is to oversee the effective financial arrangements and processes operated by the employed staff of the Trust.

The number of directors shall be not less than three.

All governors shall upon their appointment give a written undertaking to the Foundation members/ trustees to uphold the object of the Academy Trust.

The members as designated in the articles of association may appoint up to ten governors. They may appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of governors.

The parent governors shall be elected by parents of the registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time that they are elected. There must be at least two parent governors.

The Secretary of State may appoint such additional governors as he thinks fit if he has given the governors a warning notice and the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

Policies and procedures adopted for the induction and training of governors

All governors are subject to a formal training and induction process. Training can take place internally or involving external organisations. The principal also fully briefs all governors on the daily operation of the school.

A review of the training needs of the trustees has been carried out during the period and the necessary requirements for further training and the induction of any new trustees will be considered in each period.

Governors training is comprehensive and reviewed regularly.

Organisational structure

Subject to provisions of the Companies Act 2006, the Articles of Association and any directions given by special resolution, the business of the Academy Trust is managed by the governors who may exercise all the powers of the Academy Trust. The governors also have the power to expend the funds of the Academy Trust in such manner as they consider most beneficial and enter into contracts on behalf of the Academy Trust should they deem it to be necessary.

Oak View is a convertor Academy. Currently it finds itself with considerable areas for development and the trust is working closely with the new Governing body in order to build capacity so that it can carry out the above functions to the best of its ability.

Related parties and other connected charities and organisations

North West Academies Trust Limited is connected to The Delamere CE Primary Academy by virtue that the principal of the school, Steve Docking, operates as CEO of the Trust. In addition to this, Brendan Wignall and Adrian Walmsley are directors and trustees of St Martin's Academy and Steve Docking is also a director of St Martin's Academy.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

The Academy Trust's object is specifically restricted in the Articles of Association to the following; to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2015 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with the local community; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Public benefit

The governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties under the Charities Act 2006.

Strategic report

Achievements and performance

The trust is a new organisation that was formed specifically to sponsor a local failing school and support its conversion to academy status. The Trust, through association, works directly with two high performing schools both graded outstanding by Ofsted. The support and partnerships with both schools is vital in developing capacity at Oak View to support its transition from a former special measures school to a good school or better as soon as is feasible. Oak View does not have any published results as previous attainment is linked to Greenfields Primary, the school as was, until April 1st 2014 when the name was changed to Oak View Academy.

Since April 2014, the school has undergone a dramatic transformation under the new management team and with support from the Trust. All except one teacher has been replaced and the workforce has been rationalised and improved in order that it can focus all its energies on the core product of education.

As a convertor academy the school should not be inspected until after three years and at this point we hope for a far better outcome than under previous local authority control.

Key performance indicators

The reporting period represents the Trust's first period of operation following the conversion of Oak View Academy on 1 April 2014. The strategic goals relating to achievement, progress, engagement and provision are monitored closely by the governors and the Trust directors.

Most of the Academy's income is obtained from the Department of Education (formerly the YPLA) in the form of recurrent grants, the use of which is restricted for a particular purpose. The grants received and the associated expenditure are shown as restricted funds in the statement of financial activities.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The financial statements have been prepared in accordance with current statutory requirements and the Academy's governing documents and are fully compliant with all aspects of the EFA Financial Academies Handbook.

The grants and sponsorship received during the year and the associated expenditure are shown as restricted funds in the statement of financial activities. The Academy remains dependent on the provision of grants from the EFA.

During the year ended 31 August 2015, the surplus of income over expenditure for the year (before recognised gains and losses and excluding capital restricted funds and funds inherited on conversion) equated to £135k (2014: £144k) represented by total expenditure of £1,008k (2014: £475k) excluding capital fund expenditure (i.e. depreciation) against income (excluding capital grants) of £1,143k (2014: £619k).

The governors and directors are diligent in monitoring all financial transactions and ensuring the school receives the best value for money.

On 31 August 2015 the net book value of fixed assets was £2,440k (2014: £2,444k) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services of the pupils of the Academy.

Reserves policy

The governors review the level of reserves on an annual basis. The reserves of the Academy consist of both general unrestricted funds and restricted funds. The current level of reserves is considered satisfactory.

Investment policy and powers

The governors have the ability to invest to funds of the Trust as they see fit. Currently the Trust does not have any long term investments with the cash reserves of the Trust being held in bank accounts. The governors have no plans for any long term investment purchases in the near future.

Principal risks and uncertainties

The Trust is exposed to a variety of financial risks including interest rate and cash flow risk.

Given the size of the Trust, the governors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board or the Governor body at Oak View at this stage. Termly finance meetings are held with the school and regular reviews of spending under tight financial control take place with the Headteacher, CEO and school business manager. The school is supported by the Principal Financial officer of the trust and the Trusts accountant oversees and ensures that all spend is compliant with financial policies and in accordance with the Financial Academies Handbook. The policies set by the board by the Trust are implemented effectively by The Principal.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The financial and risk management objectives have been set out in the respective policies which are reviewed and updated on an annual basis.

The Academy Trust has exposure to a number of financial risks including credit, cash flow and liquidity risks. However, given the nature of the Academy Trust, the 'Financial instruments' that they deal with are largely bank balances, cash and trade creditors, with limited trade (and other) debtors. Consequently, trustees and governors are of the opinion that the financial risks will not be material to the assessment of the Trust's assets, liabilities, financial position and its results.

One of the risks facing the Academy is in relation to the Local Government Pension Scheme (LGPS), the costs of which are largely outside the control of the Academy. Hymans Robertson were instructed by Cheshire West and Chester, the Administering Authority to the Pension Fund, to undertake pension expense calculations in respect of pension benefits provided by the LGPS to employees of North West Academies Trust Limited as at 31 August 2015. The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2007/08, as amended. It is contracted out of the State Second Pension.

Plans for future periods

The Trust is in partnership with Oak View and has set a budget linked to making Oak View a 'good' school at its next Ofsted inspection. In addition to this The Trust has set its own budget to ensure that it can offer effective services of school improvement to Oak View and also deliver its own service needs for employees. The school is currently vulnerable due to pupil numbers. The school is carefully managing all aspects of this school years budget to ensure that it can deliver staffing levels next year based on smaller number of pupils than in previous years. Financial challenges are at their hardest in schools with the highest needs.

Auditor

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that White & Company (UK) Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on and signed on its behalf by:

.....
B Wignall
Chairman/Director/Trustee

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that North West Academies Trust Limited has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of governors has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between North West Academies Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' Responsibilities. The board of governors has formally met three times during the period. Attendance during the period at meetings of the board of governors was as follows:

Governors	Meetings attended	Out of possible
S Docking (Director/Trustee/CEO)	2	3
M Forber (Vice Chair/Director/Trustee)	1	3
B Wignall (Chairman/Director/Trustee)	3	3
A Walmsley (Director/Trustee)	3	3

North West academies employ a Clerk to the Governing body and he is also clerk at the other schools associated with the trust and Oakview. Part of his role is to ensure our compliance at Governor Level. We also use the services of external advisor who reviews Governance yearly. Our next self-evaluation is planned for March 2016 which by this point we will have another school on board and will add one member to our corporate structure. This was a recommendation of our review this year. A systematic overhaul of the local Governing board at Oakview has taken place this during 2014-15 and we have appointed three new excellent non parent Governors who will provide clear and systematic challenge and support to improve the standards of the school

Review of value for money

As accounting officer the principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of governors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Consistently benchmarking our costs against our collaboration of schools considering how we learn from each other in achieving best value for money both in terms of outcomes for our pupils and spending of our resources.
- holding a benchmarking day in 2014 to 2015, and as a result we are able to implement savings for the academic year 2015 to 2016.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North West Academies Trust Limited for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of governors has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of governors.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- regular reviews by the finance and education purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed Sandie Goodwin as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On an annual basis, the RO reports to the board of governors on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors.

On a termly basis, the RO reports to the board of governors through the finance and education purposes committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of governors. No material control issues were identified.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

NORTH WEST ACADEMIES TRUST LIMITED

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of governors on and signed on its behalf by:

S Docking
Director/Trustee/CEO

B Wignall
Chairman/Director/Trustee

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of North West Academies Trust Limited I have considered my responsibility to notify the Academy Trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust's board of governors are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

Approved on and signed by:

S Docking
Accounting Officer

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for North West Academies Trust Limited and are also the directors of North West Academies Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on and signed on its behalf by:

B Wignall
Director/Trustee/CEO

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED

We have audited the accounts of North West Academies Trust Limited for the Year ended 31 August 2015 set out on pages 17 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the governors, who are also the directors of North West Academies Trust Limited for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial Year for which the accounts are prepared is consistent with the accounts.

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NORTH WEST ACADEMIES TRUST LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Emma Abbott (Senior Statutory Auditor)

White & Company (UK) Limited

Chartered Accountants

Statutory Auditor

6th Floor

Blackfriars House

Parsonage

Manchester

M3 2JA

Dated:

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by North West Academies Trust Limited during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to North West Academies Trust Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the North West Academies Trust Limited and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the North West Academies Trust Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of North West Academies Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of North West Academies Trust Limited's funding agreement with the Secretary of State for Education dated 1 April 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

NORTH WEST ACADEMIES TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NORTH WEST ACADEMIES TRUST LIMITED AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Emma Abbott

Reporting Accountant

White & Company (UK) Limited

6th Floor

Blackfriars House

Parsonage

Manchester

M3 2JA

Dated:

NORTH WEST ACADEMIES TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	3	54	-	-	54	5
- Inherited on conversion		-	-	-	-	2,252
- Activities for generating funds	4	39	-	-	39	1
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	1,050	-	1,050	545
Total incoming resources		<u>93</u>	<u>1,050</u>	<u>-</u>	<u>1,143</u>	<u>2,803</u>
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	11	911	37	959	441
Governance costs	8	-	86	-	86	42
Total resources expended	6	<u>11</u>	<u>997</u>	<u>37</u>	<u>1,045</u>	<u>483</u>
Net incoming/(outgoing) resources before transfers		82	53	(37)	98	2,320
Gross transfers between funds		(82)	82	-	-	-
Net income/(expenditure) for the Year		<u>-</u>	<u>135</u>	<u>(37)</u>	<u>98</u>	<u>2,320</u>
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	20	-	20	(56)
Net movement in funds		-	155	(37)	118	2,264
Fund balances at 1 September 2014		-	(140)	2,404	2,264	-
Fund balances at 31 August 2015		<u>-</u>	<u>15</u>	<u>2,367</u>	<u>2,382</u>	<u>2,264</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

NORTH WEST ACADEMIES TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11		2,440		2,444
Current assets					
Debtors	12	48		117	
Cash at bank and in hand		285		174	
		<u>333</u>		<u>291</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(106)		(181)	
		<u></u>		<u></u>	
Net current assets			227		110
Net assets excluding pension liability			2,667		2,554
Defined benefit pension liability	17		(285)		(290)
			<u></u>		<u></u>
Net assets			2,382		2,264
			<u><u></u></u>		<u><u></u></u>
Funds of the Academy Trust:					
Restricted funds	15				
- Fixed asset funds			2,367		2,404
- General funds			300		150
- Pension reserve			(285)		(290)
			<u></u>		<u></u>
Total restricted funds			2,382		2,264
Unrestricted income funds	15		-		-
			<u></u>		<u></u>
Total funds			2,382		2,264
			<u><u></u></u>		<u><u></u></u>

The accounts were approved by order of the board of governors and authorised for issue on

.....
B Wignall
Chairman/Director/Trustee

Company Number 08852553

NORTH WEST ACADEMIES TRUST LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

		31 August 2015 £	31 August 2014 £
	Notes		
Net cash inflow/(outflow) from operating activities	18	144	208
Capital expenditure and financial investments			
Capital grants received		-	6
Payments to acquire tangible fixed assets		(33)	(40)
		<hr/>	<hr/>
Net cash flow from capital activities		(33)	(34)
		<hr/>	<hr/>
Increase/(decrease) in cash	19	111	174
		<hr/> <hr/>	<hr/> <hr/>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market values that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for North West Academies Trust Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

The property occupied by Oak View Academy was recognised at the date of conversion on the balance sheet as a fixed asset with a corresponding entry as a gift in kind to the restricted fixed asset fund. This is then depreciated on a straight line basis over the term of the lease.

1.5 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Assets with an estimated useful economic life of two years or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land and buildings	On a straight line basis over the term of the lease (125 years)
Fixtures, fittings & equipment	25% reducing balance

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each Year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the Trust have exceeded these limits during the Year ended 31 August 2015.

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Private sponsorship	45	-	45	5
Other donations	9	-	9	-
	<u>54</u>	<u>-</u>	<u>54</u>	<u>5</u>

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	12	-	12	-
Parental contributions	-	-	-	1
Other income	27	-	27	-
	<u>39</u>	<u>-</u>	<u>39</u>	<u>1</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	796	796	313
Start up grants	-	-	-	137
Capital grants	-	-	-	6
Other DfE / EFA grants	-	130	130	52
	<u>-</u>	<u>926</u>	<u>926</u>	<u>508</u>
Other government grants				
Local authority grants	-	124	124	37
	<u>-</u>	<u>124</u>	<u>124</u>	<u>37</u>
Total funding	<u>-</u>	<u>1,050</u>	<u>1,050</u>	<u>545</u>

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	584	-	34	618	329
- Allocated support costs	133	51	157	341	112
	<u>717</u>	<u>51</u>	<u>191</u>	<u>959</u>	<u>441</u>
Other expenditure					
Governance costs	-	-	86	86	42
	<u>-</u>	<u>-</u>	<u>86</u>	<u>86</u>	<u>42</u>
Total expenditure	<u>717</u>	<u>51</u>	<u>277</u>	<u>1,045</u>	<u>483</u>
Net income/(expenditure) for the YEAR includes:				2015 £	2014 £
Operating leases					
- Plant and machinery				12	-
Fees payable to auditor					
- Audit				6	5
				<u>18</u>	<u>5</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

Central services

The Academy Trust has provided the following central services to its academies during the Year:

- human resources;
- financial services;
- legal services;
- educational support services;

The Academy Trust charges for these services on the following basis:

- 6.5% Government Annual Grant

The amounts charged during the Year were as follows:

	Total £
Oak View Academy	43
	<hr/>
	43
	<hr/> <hr/>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	-	584	584	312
Educational supplies and services	6	21	27	11
Other direct costs	5	2	7	6
	<u>11</u>	<u>607</u>	<u>618</u>	<u>329</u>
Allocated support costs				
Support staff costs	-	133	133	42
Depreciation	-	37	37	8
Technology costs	-	4	4	6
Recruitment and support	-	3	3	1
Maintenance of premises and equipment	-	14	14	2
Cleaning	-	12	12	3
Energy costs	-	28	28	5
Rent and rates	-	15	15	5
Insurance	-	8	8	4
Security and transport	-	11	11	2
Catering	-	42	42	-
Interest and finance costs	-	7	7	2
Other support costs	-	27	27	32
	<u>-</u>	<u>341</u>	<u>341</u>	<u>112</u>
Total costs	<u>11</u>	<u>948</u>	<u>959</u>	<u>441</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	84	84	37
Auditor's remuneration				
- Audit of financial statements	-	2	2	5
	<u>-</u>	<u>86</u>	<u>86</u>	<u>42</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	558	312
Social security costs	33	10
Other pension costs	96	32
	<u>687</u>	<u>354</u>
Supply teacher costs	2	-
Staff development and other staff costs	28	-
	<u>717</u>	<u>354</u>

The average number of persons (including senior management team) employed by the Academy Trust during the Year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	11	8
Administration and support	12	15
Management	1	1
	<u>24</u>	<u>24</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
Over 60,000	<u>1</u>	<u>1</u>

Following the conversion of the Academy a full staffing review and restructure was undertaken and as a result a number of redundancies were agreed. The total cost of the redundancies was £50,688 recognised in the year to August 2014. This figure was included within creditors at 31 August 2014 being paid in September 2014.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Governors' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contract of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of governors' remuneration and other benefits was as follows:

F Rimmer (Headteacher - Oak View Academy) (principal) £60,000 - £70,000 (2014: £60,000 - £70,000), pension £8,885.

R Clark (Deputy Headteacher - Oak View Academy) £40,000 - £50,000 (2014: £40,000 to £50,000), pension £5,802.

Other related party transactions involving the governors are set out within the related parties note.

Governors' and officers' insurance

In accordance with normal commercial practice, the Academy Trust is part of the DFE's Risk Protection Insurance scheme to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this scheme is £25 per pupil (covering all insured risks, of which this risk is an inseparable part) with funding taken directly at source from the EFA.

The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Leasehold land and buildings £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 2014	2,412	40	2,452
Additions	-	33	33
	<hr/>	<hr/>	<hr/>
At 31 August 2015	2,412	73	2,485
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 September 2014	8	-	8
Charge for the Year	19	18	37
	<hr/>	<hr/>	<hr/>
At 31 August 2015	27	18	45
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 2015	2,385	55	2,440
	<hr/>	<hr/>	<hr/>
At 31 August 2014	2,404	40	2,444
	<hr/>	<hr/>	<hr/>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

(Continued)

The leasehold property relates to the school premises which the Academy occupies at a peppercorn rental rate. In accordance with FRS 5 Reporting the Substance of Transactions and the EFA Accounts Direction 2013 the property was introduced upon the conversion of the school to an academy on 1 April 2014 at a valuation of £2,412,310. This adjustment was made as substantially all of the risks and rewards of ownership of the property rest with the Academy.

The valuation is based on the insured value and has not been formally valued.

The Trust have undertaken a full assets and inventory register for all fixed assets at Oak View Academy.

12 Debtors	2015 £	2014 £
Trade debtors	6	-
VAT recoverable	18	21
Prepayments and accrued income	24	96
	<u>48</u>	<u>117</u>
	<u><u>48</u></u>	<u><u>117</u></u>
13 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	62	88
Taxes and social security costs	12	6
Other creditors	12	11
Accruals	3	61
Deferred income	17	15
	<u>106</u>	<u>181</u>
	<u><u>106</u></u>	<u><u>181</u></u>
14 Deferred income	2015 £	2014 £
Deferred income is included within:		
Creditors due within one year	17	15
	<u>17</u>	<u>15</u>
	<u><u>17</u></u>	<u><u>15</u></u>
Total deferred income at 1 September 2014	15	-
Amounts credited to the statement of financial activities	(15)	-
Amounts deferred in the Year	17	15
	<u>17</u>	<u>15</u>
Total deferred income at 31 August 2015	<u><u>17</u></u>	<u><u>15</u></u>

At the balance sheet date the Academy Trust was holding funds received in advance for its 2015 to 2016 academic year.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	150	796	(982)	82	46
Other DfE / EFA grants	-	130	-	-	130
Other government grants	-	124	-	-	124
	<u>150</u>	<u>1,050</u>	<u>(982)</u>	<u>82</u>	<u>300</u>
Funds excluding pensions	150	1,050	(982)	82	300
Pension reserve	(290)	-	(15)	20	(285)
	<u>(140)</u>	<u>1,050</u>	<u>(997)</u>	<u>102</u>	<u>15</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	-	15	-	15
Inherited fixed asset fund	2,404	-	(19)	-	2,385
Capital expenditure from GAG or other funds	-	-	(33)	-	(33)
	<u>2,404</u>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>2,367</u>
Total restricted funds	<u>2,264</u>	<u>1,050</u>	<u>(1,034)</u>	<u>102</u>	<u>2,382</u>
Unrestricted funds					
General funds	-	93	(11)	(82)	-
Total funds	<u>2,264</u>	<u>1,143</u>	<u>(1,045)</u>	<u>20</u>	<u>2,382</u>

The specific purposes for which the funds are to be applied are as follows:

- The General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the GAG. Of the carried forward amount up to 2% of the GAG can be used for general purposes at the discretion of the Academy but any balance over 2% must be used for capital purposes.
- The Restricted Fixed Asset Fund comprises the deemed gifting of the school premises against which depreciation will be charged over the 125 year term of the lease. Also contained in the fund are grants for the extension of the school building against which depreciation will be charged on the additions over the remainder of the lease term.

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Oak View Academy	278
Central services	22
	<hr/>
Funds excluding fixed asset fund and pensions reserve	300
Restricted fixed asset fund	2,367
Pension reserve	(285)
	<hr/>
Total funds	<u>2,382</u>

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Oak View Academy	584	114	33	215	946
Central services	1	19	-	79	99
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	585	133	33	294	1,045
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	73	-	2,367	2,440
Current assets	33	300	-	333
Creditors falling due within one year	(106)	-	-	(106)
Defined benefit pension liability	-	(285)	-	(285)
	<hr/>	<hr/>	<hr/>	<hr/>
	-	15	2,367	2,382
	<hr/>	<hr/>	<hr/>	<hr/>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £3k were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £46,289 (2014: £8,110).

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £48,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Contributions made	2015 £	2014 £
Employer's contributions	45	15
Employees' contributions	12	4
	<hr/>	<hr/>
Total contributions	57	19
	<hr/>	<hr/>
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.6	3.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
	<hr/>	<hr/>

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015 Years	2014 Years
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.7
	<hr/>	<hr/>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	166	6.3	162
Bonds	3.8	141	3.4	57
Property	3.8	32	4.5	19
Other assets	3.8	14	3.3	32
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total market value of assets		353		270
Present value of scheme liabilities - funded		(638)		(560)
		<u> </u>		<u> </u>
Net pension asset / (liability)		(285)		(290)
		<u> </u>		<u> </u>

The expected return on assets is based on the long-term future expected investment return for each asset class. The return on gilts and other bonds are assume to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and properties are then assumed to be a margin above gilt yields.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	53	19
Past service cost	-	-
	<u> </u>	<u> </u>
Total operating charge	53	19
	<u> </u>	<u> </u>
Finance costs/(income)		
Expected return on pension scheme assets	(15)	(6)
Interest on pension liabilities	22	8
	<u> </u>	<u> </u>
Net finance costs/(income)	7	2
	<u> </u>	<u> </u>
Total charge/(income)	60	21
	<u> </u>	<u> </u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	(20)	56
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	-
	<u>(20)</u>	<u>56</u>
Total (gains)/losses	<u>(20)</u>	<u>56</u>
Cumulative (gains)/losses to date	<u>36</u>	<u>56</u>

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(560)	(464)
Current service cost	(53)	(19)
Interest cost	(22)	(8)
Contributions by employees	(12)	(4)
Actuarial gains/(losses)	9	(65)
	<u>(638)</u>	<u>(560)</u>
At 31 August 2015	<u>(638)</u>	<u>(560)</u>

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	270	236
Expected return on assets	15	6
Actuarial gains/(losses)	11	9
Contributions by employers	45	15
Contributions by employees	12	4
	<u>353</u>	<u>270</u>
At 31 August 2015	<u>353</u>	<u>270</u>

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17	Pensions and similar obligations	(Continued)			
History of experience gains and losses		2015	2014		
		£	£		
Present value of defined benefit obligations		(638)	(560)		
Fair value of share of scheme assets		353	270		
Surplus / (deficit)		<u>(285)</u>	<u>(290)</u>		
Experience adjustment on scheme assets		11	9		
Experience adjustment on scheme liabilities		<u>9</u>	<u>(65)</u>		
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2015	2014		
		£	£		
Net income		98	2,320		
Capital grants and similar income		-	(6)		
Net deficit/(surplus) transferred on conversion		-	(2,252)		
Defined benefit pension costs less contributions payable		8	4		
Defined benefit pension finance costs/(income)		7	2		
Depreciation of tangible fixed assets		37	8		
(Increase)/decrease in debtors		69	(117)		
Increase/(decrease) in creditors		(75)	181		
Stocks, debtors and creditors transferred on conversion		-	2,480		
Net cash inflow/(outflow) from operating activities		<u>144</u>	<u>2,620</u>		
19	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
Increase/(decrease) in cash		111	174		
Net funds at 1 September 2014		174	-		
Net funds at 31 August 2015		<u>285</u>	<u>174</u>		
20	Analysis of net funds	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
		£	£	£	£
Cash at bank and in hand		174	111	-	285

NORTH WEST ACADEMIES TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Between two and five years	4	-
	<u> </u>	<u> </u>

The Academy Trust acquired a new asset under an operating lease agreement during the year.

22 Related parties

Owing to the nature of the Multi Academy Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:-

During the period, Timpson Limited, a company in which W J Timpson, a Governor in Delamere Academy, is a director, granted a bursary of £45,000 (2014: £nil) to Oak View Academy, a school operated by the Academy Trust. This bursary has been recognised in full in the current period.

During the period, Delamere Academy recharged £18,327 (2014: £12,926) to North West Academies Trust Limited for school to school support. An amount of £4,766 (2014: £5,400) was due to Delamere Academy at the year end and is included within creditors.

During the period, North West Academies Trust Limited recharged £8,000 (2014: £nil) to Delamere Academy for shared financial services and compliance provided to the school. An amount of £3,713 (2014: £nil) was due from Delamere Academy at the year end and is included within debtors.

During the period, North West Academies Trust Limited recharged £10,000 (2014: £nil) to St Martin's Academy for shared financial services and compliance provided to the school. An amount of £2,290 (2014: £nil) was due from St Martin's Academy at the year end and is included within debtors.

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.